

DEVELOPMENT PROPOSAL FOR  
**401 3RD AVE  
NORTH**

*FARGO, NORTH DAKOTA*

NOVEMBER 8, 2021

esg | **LLOYD** | GreenAcre  
COMPANIES







Mr. Gilmour:

Thank you for the opportunity to propose our development team for your request for development proposals for the sale of 401 3rd Avenue North. We admire your community's foresight and ambition through issuing this RFP to spur additional development in the core of Fargo.

After thorough evaluation of the market in downtown Fargo, we have selected multiple sites that together will cultivate an active urban community incorporating a live-work-play concept that we have successfully incorporated into previous projects. We have proactively worked with Marriott and have garnered their support in franchising an AC Hotel as part of the development; if awarded we would continue to evaluate AC in addition to multiple brands consistent with AC in the upscale chain scale to select the most appropriate hotel.

In partnership, Green Acre Companies and Lloyd Companies are responding to this RFP with the assistance of ESG Architects. Lloyd and Green Acres come together to create a strong partnership with expertise in development, construction, and management. The partnership selected ESG Architects to bring their broad specialty of designing urban, mixed-use projects throughout the Midwest, including Fargo.

Through our analysis of downtown Fargo, we have identified and entered into option agreements to create a developable parcel for a large, mixed-use project that will bring the excitement of a new hotel and residential apartments to downtown. Through the option agreement, our team would deliver the mixed-use development including both residential and hospitality components on the assemblage of parcels at the intersection of 4th Street and 4th Avenue. The option agreements of the proposed development would be predicated upon being awarded this RFP for the subject site. The existing parking lot located at 4th Street and 4th Avenue would then be relocated to the subject site upon demolition of the Health Building, and a new parking lot would be constructed. That group would also then take ownership of the subject site.



Our market assessment of Downtown Fargo affirms our team's confidence in our ability to market a mixed-use development that incorporates over 108 apartments alongside 115 upscale hotel rooms. Additionally, our proposed development includes 167 parking stalls through a combination of underground and street-level parking. The attached site plan and color renderings showcase our vision for this development – one that encourages the growth and marketability of an urban apartment community and modern hotel.

Our team has the experience and history of both partnering with city governments and successfully undertaking core redevelopment sites. We would be honored to partner with The City of Fargo in their mission of planning, developing, and building a better community.

With best regards,

Jake Quasney  
EVP of Development  
Lloyd Companies

Byron Schafersman  
Partner  
Green Acre Companies







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# PROJECT DESCRIPTION

Fargo’s historic identity as a vibrant urban area at the cusp of the resilient West make it a destination for travel and a welcoming community for residents.

This proposed project is a mixed-use development that includes 108 rental apartments and approximately 115 guestrooms as part of an AC by Marriott Hotel. The development will incorporate 47 covered parking stalls to be shared by residents and hotel guests on the ground floor and 120 underground parking stalls to be used by apartment residents. The building will be six stories above grade: five stories of wood-framed residential construction over a single story of concrete podium construction housing the hotel public spaces and apartment lobby.

The building design includes 200,000 sf of occupied space, 75,000 sf of covered parking, and a generously sized level two outdoor amenity terrace with adjacent fitness spaces and club room. The residential units include a mix of studio, 1 Bedroom, and 2 Bedroom unit types supported by a dedicated apartment entrance at the southeast corner of 4th Street & 4th Avenue. The ground floor also includes six walk-up residential units that reflect the character of the rowhouses in the historic Burrell Building on the East side of 4th Street. The hotel covered drop-off entrance and main floor spaces are oriented toward the southwest corner of the site, facing the Sidestreet Grille and Pub, and are visually connected to the Broadway commercial corridor.

The hotel includes a dedicated hotel lobby/entrance, a 2,300 sf AC Lounge space for food and beverage service to the public, and 4,500 sf divisible ballroom. Onsite parking will be available for hotel guests, and the hotel meeting spaces are positioned to take advantage of adjacent parking resources the City has to offer. Service functions have been grouped on the North side, but the pedestrian experience along the railway corridor is still considered in the building design. The north façade includes unit balconies overlooking what could be a future farmer’s market or community plaza near the Great Northern Bicycle Company. Sustainable design elements are being considered and provisions have been made for incorporating future energy efficiency features as the market demands.

We have drawn design inspiration from the adjacent railroad, which historically drew new residents and adventurers to the area and embodies an ethos of travel and exploration. Inspiration from Fargo’s historic architectural fabric, including mid-century modern and contemporary buildings, have been layered into the proposed project’s design to reflect the spirited community that Fargo has become. This includes brick cladding that gives a nod to the adjacent historic context and metal panel cladding that is a tribute to the notion of the train car and shipping container spirit.













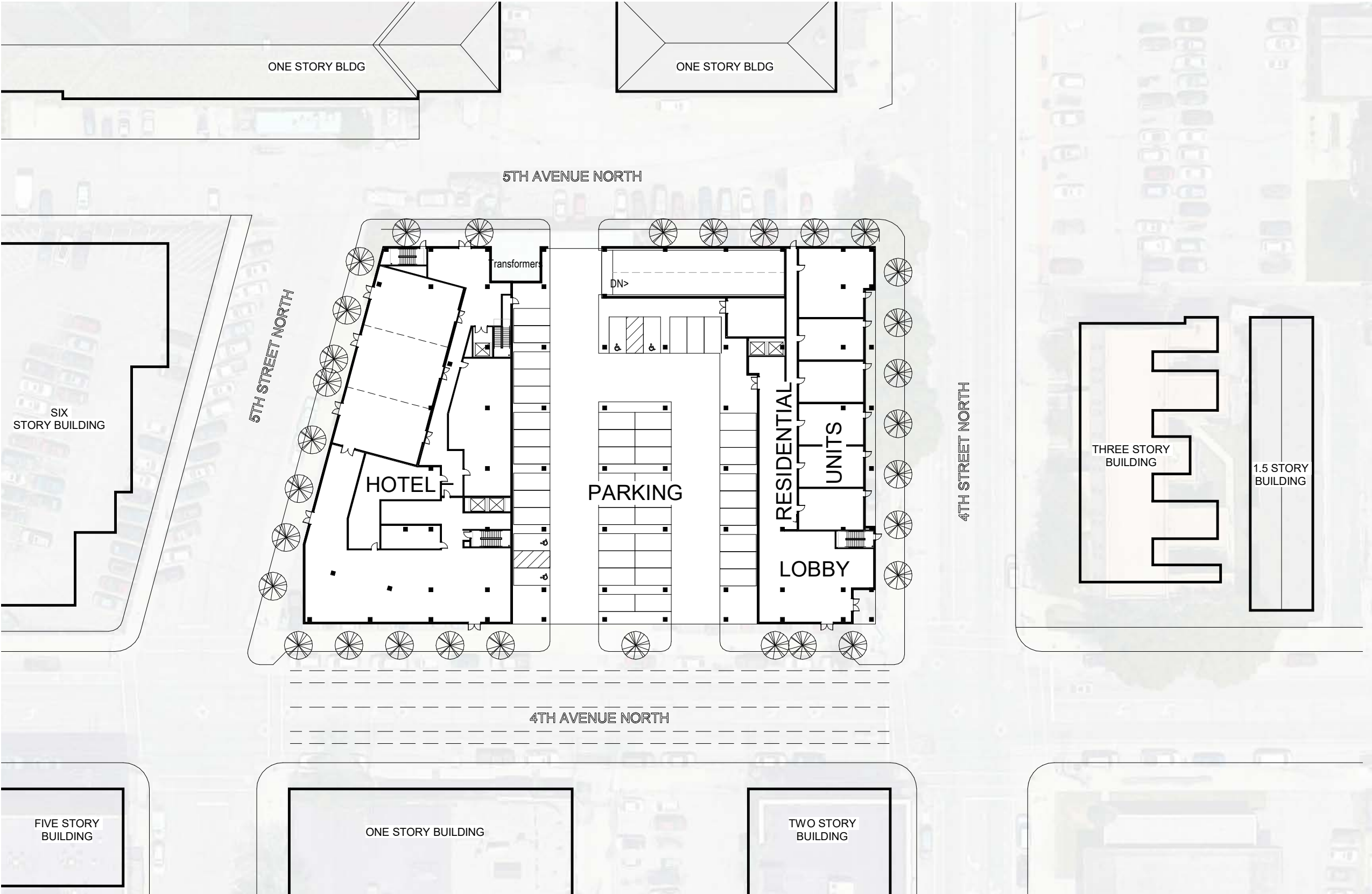






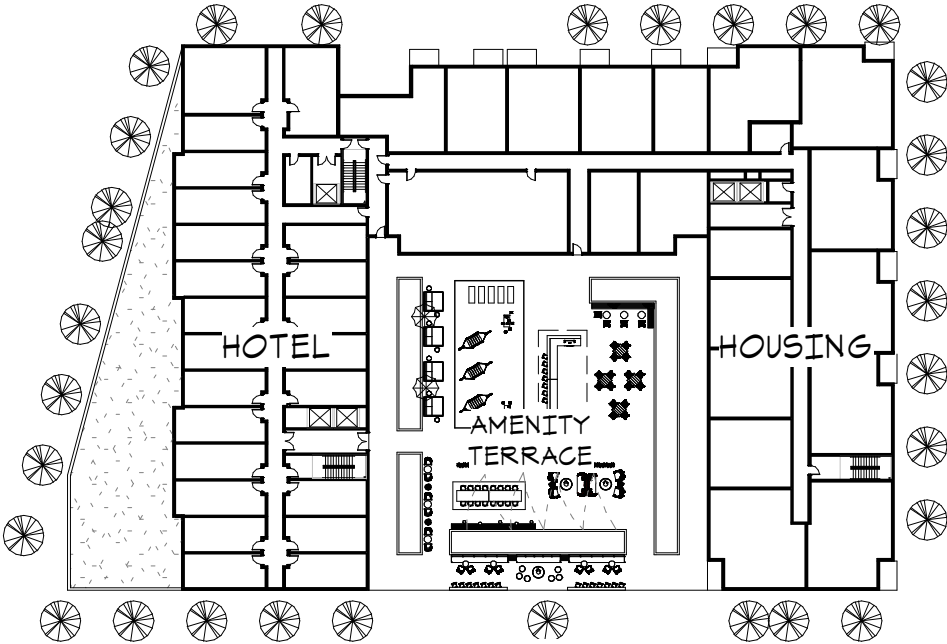




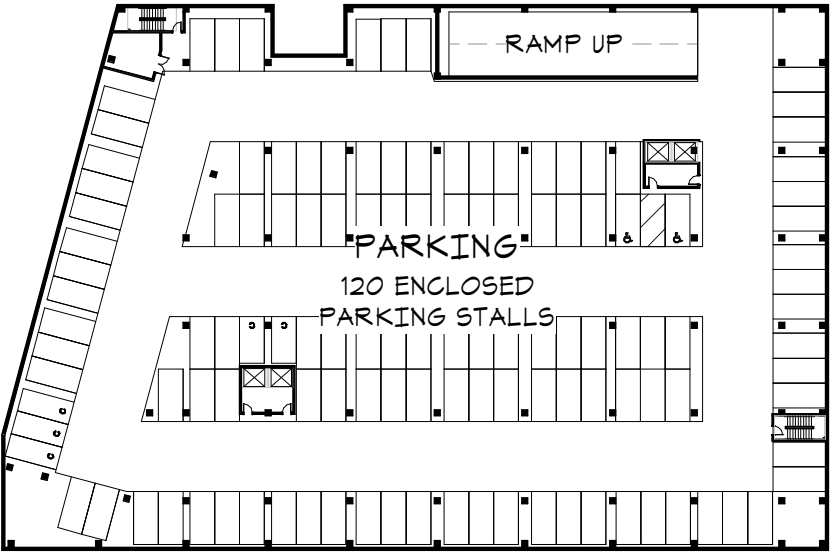




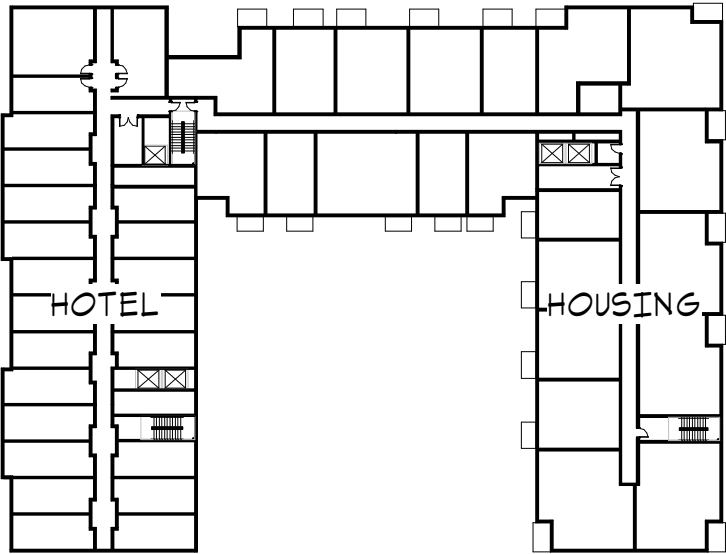
LEVEL 2 PLAN



LEVEL P1 PLAN



LEVEL 3-6 PLAN





GREEN ACRE COMPANIES

With almost 10 years of experience, Green Acre Companies has been at the forefront of real estate development and investments. We utilize strategic partners throughout our portfolio to ensure projects achieve the highest level of quality, design, and stability. Through collaboration with property owners, city governments, and their respective communities, we focus on maximizing asset potential and site innovation. Our wide range of resources and relationships allow us to develop advanced level projects of all shapes and sizes throughout the upper-Midwest.



LLOYD COMPANIES

With fifty years in business, Lloyd Companies has honed a reputation for uncompromising innovation, efficiency, and service. When you partner with Lloyd – your goals become ours, our resources and talents become yours. And groundbreaking begins from day one. Every development project, construction venture or real estate investment comes with high standards. We exist to improve the quality of life for the people and communities around us. Trust Lloyd to rise to the challenge with unparalleled integrity and expertise – and set the bar higher than any other company in the industry. Below, Lloyd Companies has outlined a listing of projects over \$1 million over the past three years and has selected a few project case studies included on subsequent pages.



NEARLY 50 YEARS  
OF EXPERIENCE



\$1+ B MULTIFAMILY ASSETS  
UNDER MANAGEMENT



\$154 M MIXED-USE ASSETS  
UNDER MANAGEMENT

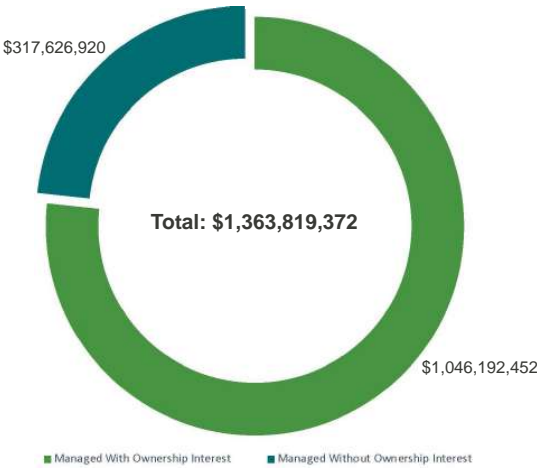


\$374 M IN COMMERCIAL ASSETS UNDER  
MANAGEMENT



200+ DEDICATED  
TEAM MEMBERS

VALUATION OF LLOYD ASSETS





O=OWNER D=DEVELOPER C=CONSTRUCTED M=MANAGE R=REAL ESTATE TRANSACTION/LEASED

Project	Construction Cost	Size	Building Type	Completion Date	Participation (ODCMR)	Location
The Canopy by Hilton — Steel District	\$78,000,000	216 Hotel Rooms	Hotel	January 2024	ODCMR	Sioux Falls, SD
Steel District Office Tower	\$55,000,000	175,000 sqft	Office	January 2023	ODCMR	Sioux Falls, SD
Steel District Lofts	\$26,000,000	120 Units	Multifamily	March 2023	ODCM	Sioux Falls, SD
Steel District Parking Ramp	\$28,000,000	930 Stalls	Parking	July 2022	ODCM	Sioux Falls, SD
Riverbend Townhomes — Phase 4	\$11,000,000	84 units	Multifamily	December 2022	ODCM	Sergeant Bluff, IA
The Carlton at Dawley	\$26,600,000	152 units SF	Multifamily	November 2022	ODCM	Sioux Falls, SD
The Crimson			Mixed Use	November 2022	C	Sioux Falls, SD
Lux North	\$23,000,000	216 units	Multifamily	October 2022	ODCM	Sioux Falls, SD
Children’s Inn	\$10,900,000	48,000 SF	Multifamily	August 2022	C	Sioux Falls, SD
Sullivan Square	\$5,600,000	48 units 28,000 SF	Multifamily - Affordable	Spring 2022	C	Sioux Falls, SD
Sawyer Pointe Phase II	\$13,595,000	144 units	Multifamily	Spring 2022	ODCM	Harrisburg, SD
Heartland Heights	\$5,063,000	41 units	Multifamily - Affordable	May 2022	DCM	Rapid City, SD
EyeSight East	\$1,330,00	4,597 SF	Retail / Office	May 2022	C	Sioux Falls, SD
The Rowe on 57th — Phase I	\$13,870,000	314 units 26,479 SF commercial	Mixed Use	April 2022	ODCMR	Sioux Falls, SD
Edgewater — Phase 3	\$9,750,000	239,543 SF	Multifamily	April 2022	C	Sioux Falls, SD
The VUE on Catron	\$18,700,000	168 units	Multifamily	March 2022	ODCM	Rapid City, SD
Jefferson Apartments	\$3,492,044	29 units 30,514 SF	Multifamily	March 2022	C	Sioux Falls, SD
The Silos at Ellis Crossing — Phase 1	\$17,000,000	102 Units 2,814 SF Clubhouse	Multifamily	March 2022	ODCM	Sioux Falls, SD
Kriby Place — addition and remodel	\$2,100,000	7,460	Avera Lodging	March 2022	C	Sioux Falls, SD
Northern Tool and Equipment	\$3,100,000	22,000 SF	Retail	February 2022	CR	Sioux Falls, SD
3D Security	\$1,624,378	12,146 SF	Office	February 2022	C	Sioux Falls, SD
Lifescape Dignity House	\$1,000,000	5,400 SF	Multifamily	December 2021	C	Sioux Falls, SD
Regal Retail	\$1,500,000	10,000 SF	Retail	July 2021	C	Sioux Falls, SD
Empire Place Retail Building 1 Shell	\$2,172,314	17,906 SF	Retail	July 2021	DCMR	Sioux Falls, SD
Irving Center	\$3,900,000	35 Units 35,479 SF	Multifamily - Affordable	June 2021	DCM	Sioux Falls, SD
Chase Bank — Empire Place	\$1,756,937	3,308 SF	Office/Retail	June 2021	DC	Sioux Falls, SD
Lacey Village	\$5,785,700	46 units	Multifamily - Affordable	May 2021	DCM	Sioux Falls, SD

Project	Construction Cost	Size	Building Type	Completion Date	Participation (ODCMR)	Location
The Link Triage Center	\$1,280,000	6,936 SF	Medical	May 2021	C	Sioux Falls, SD
69th & Louise Center Retail	\$1,340,000	7,329 SF	Retail	April 2021	CR	Sioux Falls, SD
Hilton Garden Inn Cedar Rapids	\$18,000,000	100 rooms 3,700 SF of ballroom & meeting space	Hotel	February 2021	ODCM	Cedar Rapids, IA
Plains Commerce Bank — Edges	\$1,500,000	13,859 SF	Retail	December 2020	C	Sioux Falls, SD
Empire Place	\$3,131,800	183,000 SF	Retail	November 2020	DCM	Sioux Falls, SD
Capital Services	\$9,800,000	47,320 SF	Office	October 2020	C	Sioux Falls, SD
American Bank & Trust	\$2,300,000	15,000 SF	Office	September 2020	C	Sioux Falls, SD
Greenway Apartments	\$4,500,000	42 units	Multifamily	July 2020	DC	Sioux Falls, SD
St. Francis House	\$6,000,000	60 units	Multifamily - Affordable	July 2020	C	Sioux Falls, SD
The Cascade at Falls Park	\$37,450,000	197 Lofts 50,000 SF courtyard 20,000 SF retail	Mixed Use	June 2020	ODCMR	Sioux Falls, SD
Technology Heights II	\$4,600,000	39 units	Multifamily - Affordable	June 2020	ODCM	Sioux Falls, SD
Empowerment Campus	\$1,600,000	First floor remodel: 15,614 SF	Office	June 2020	C	Sioux Falls, SD
Plains Commerce Bank	\$2,200,000	5,715 SF	Office & Retail	April 2020	C	Sioux Falls, SD
Riverbend Townhomes	\$16,000,000	156 units	Multifamily	February 2020	ODCM	Sergeant Bluff, IA
Sawyer Pointe	\$16,000,000	156 units	Multifamily	2020	ODCM	Sioux Falls, SD
Dublin Square Phase II	\$13,041,746	148 units	Multifamily	December 2019	ODCM	Sioux Falls, SD
Glory House	\$2,600,000	25 units	Multifamily - Affordable	December 2019	C	Sioux Falls, SD
Edgewater	\$12,750,000	144 units	Multifamily	November 2019	DC	Sioux Falls, SD
Avera Addiction Care Center	\$6,500,000	20,000 SF	Medical	November 2019	C	Sioux Falls, SD
Dakota Protein	\$4,887,736	46,460 SF	Office	November 2019	DC	Yankton, SD
WilLiquors	\$5,700,000	26,223 SF	Retail	October 2019	C	Sioux Falls, SD
Dawley Apex	\$3,000,000	25,212 SF	Retail	October 2019	CM	Sioux Falls, SD
Fleet Farm Cedar Rapids	\$24,000,000	203,000 SF	Retail	September 2019	ODCM	Cedar Rapids, IA
Summit III	\$1,950,000	14 units	Multifamily	August 2019	C	Sioux Falls, SD
Meta Payment Systems Remodel	\$1,341,395	70,784 SF	Office	July 2019	C	Sioux Falls, SD
Fleet Farm Sioux Falls	\$28,000,000	185,000 SF	Retail	May 2019	ODCM	Sioux Falls, SD
Prairie Hills Galleria	\$3,525,000	25,000	Retail/Office	May 2019	CMR	Sioux Falls, SD
Midtown Heights	\$4,500,000	39 units	Multifamily - Affordable	May 2019	DCM	Sioux Falls, SD



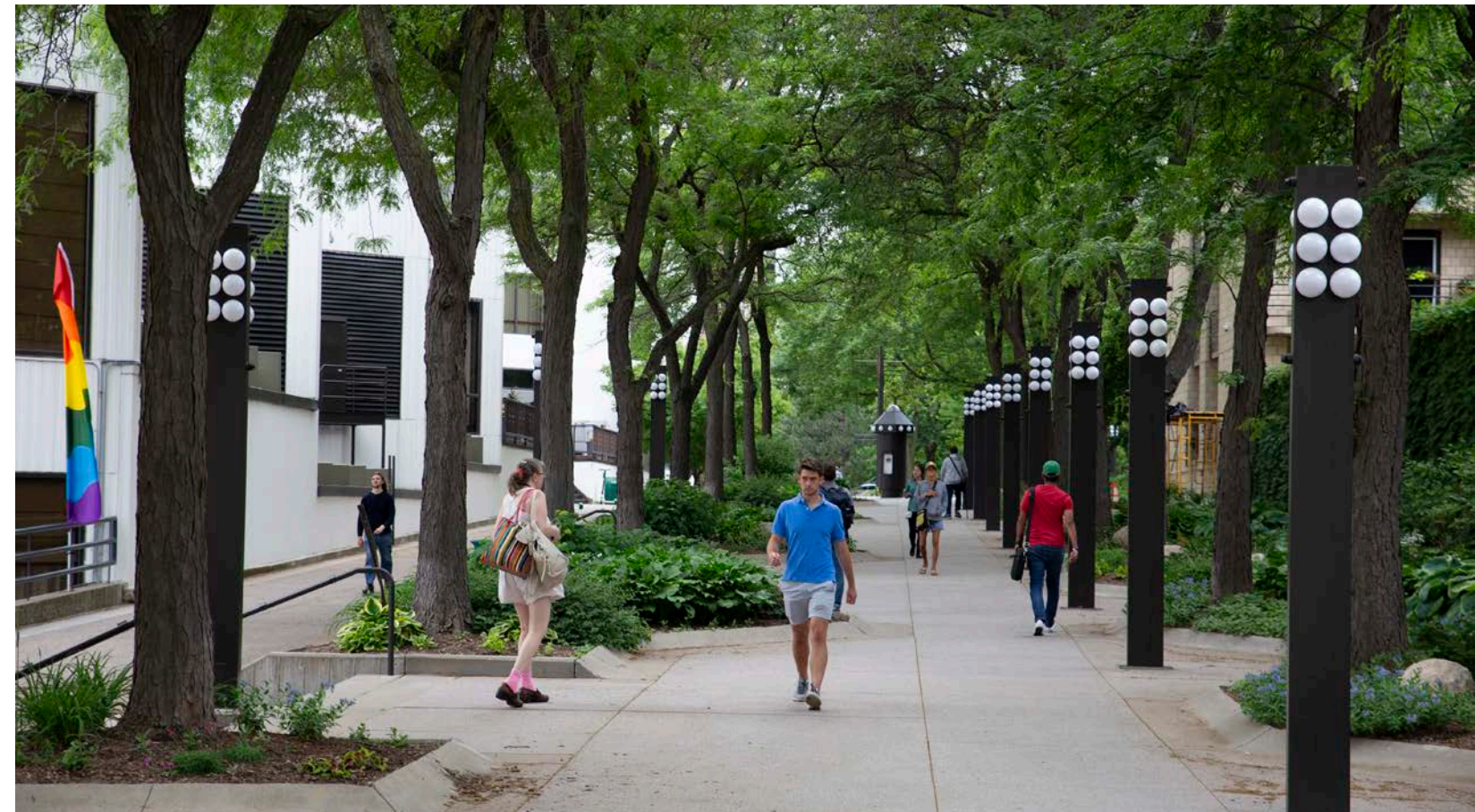
IMAGINE THE  
*SPIRIT*













A close-up photograph of a brick wall, showing the texture and color of the bricks. A black rectangular overlay is positioned on the left side of the image, containing white text. The bricks are arranged in a traditional pattern, with some bricks showing signs of wear or discoloration. The background is slightly blurred, showing more of the wall and some greenery in the distance.

# CASE STUDY *EXAMPLES*



UPTOWN AT FALLS PARK  
SIOUX FALLS, SD





**HILTON GARDEN INN**  
**SIOUX FALLS**  
*SIOUX FALLS, SD*





# HILTON GARDEN INN CEDAR RAPIDS

SIoux FALLS, SD



**PROJECT SIZE AND SCOPE:** This \$18.3 million project, including land cost, is a nearly 65,000-square-foot four-story Hilton Garden Inn hotel, that includes a restaurant and bar which also are open to the public, an expansive patio, indoor pool, spacious fitness center and an event space that can accommodate up to 250 people banquet-style. This was a brand-new prototype for Hilton Garden Inn at the time, which also features smart “connected” rooms.

**TIMELINE:** Construction started in November 2019 and after a series of unforeseen events and natural disasters, it finished in March 2021.

**CHALLENGES:** Lloyd Companies navigated through manpower and material issues for much of 2020 related to the COVID-19 pandemic. Then, three months before the hotel’s scheduled opening, a historic derecho hit the Cedar Rapids area. This brought high winds and torrential rain, with watering pouring into the hotel. While there was no structural damage, opening was delayed, though ultimately it allowed the hotel to capture the rebounding tourism market as the pandemic began to subside.

**CLIENT EXPERIENCE:** “Lloyd Construction was very kind and helpful the entire time. There were challenges, definitely. We had the derecho, we had COVID, and just when we thought we were back on track, FF&E was delayed, so we had to work with construction to delay installation. When I got here after the derecho, there was water pouring in the lobby down four floors. And Lloyd’s lead on site did such an amazing job jumping in and starting to problem solve and turn from construction to survival mode. There was a lot of meeting time and coordination and communication that followed, and through all of it the Lloyd team was just exceptional. Everyone respected them on site and you don’t often see that. And then at the very end, they pulled together a team of construction, property maintenance and even multifamily regional managers to come in in the last days, so we had a whole team of people helping get the hotel shined up and ready for opening day. That was something very unusual and special.”

—Jennifer Seifert-Brenna,  
Vice President of Lloyd Hospitality Group



# THE STEEL DISTRICT GROUNDBREAKING

SIoux FALLS, SD



## LLOYD COMPANIES CELEBRATES THE STEEL DISTRICT GROUNDBREAKING

In the words of Sioux Falls Development Foundation Board Chair Pat Costello: It was “one of the most exciting groundbreakings we’ve had in a long time.”

On Aug. 18, Lloyd Companies officially broke ground on The Steel District, a seven-acre redevelopment of the Sioux Steel property in downtown Sioux Falls adjacent to Falls Park.

“It’s going to have a profound impact on our skyline and what people view downtown Sioux Falls to be,” Costello said. We couldn’t agree more.

“We’re building something that’s not [for] 100 years into the future. It’s 200 years,” our Co-founder Craig Lloyd said. “I won’t be here, but maybe my great-grandkids will be, and they’ll carry on the vision.”

Vision. It’s what brought us to this day, and it dates back decades, to city leaders from Steve Metli to Dave Munson who paved the way for the redevelopment by cleaning up the downtown area and building Phillips Avenue through to Falls Park.

Or, in the case of the Rysdon family, owners of Sioux Steel, it’s a history and vision that goes back five generations.

“And now, of course, we’re sharing [our] home with you,” Sioux Steel CEO Scott Rysdon said. “We’re very, very happy that the time is right here ... it’s time to open up this last resource for the city.”

The Steel District, which began demolition earlier this month, will include a Canopy by Hilton destination hotel and conference center, a nine-story office tower – the future home of Lloyd’s corporate headquarters – condominiums, apartments, and some of the most appealing retail destinations in Sioux Falls. That includes three restaurants from Twin Cities restaurateur Josh Thoma, who also attended the groundbreaking.

“I couldn’t hope to have better business partners than [Lloyd’s] Chris Thorkelson, Jake Quasney and Dan Doyle,” he said. “These guys are some of the most salt-of-the-earth people I’ve ever had the pleasure of doing business with.”

While it’s a day that was delayed a year due to the pandemic, “this is truly a game-changer for Uptown, and this project we’re doing is a small part of things to come and ... we’re grateful and honored to be part of it,” Lloyd’s CEO Chris Thorkelson said.

“We wanted to create a 100-year vision, and that’s no small task, because you also have to be able to pay for it,” Executive Vice president Jake Quasney said. “We’re bringing a first-class hotel that’s going to really set the standard for our community both on the convention and hospitality side. The office is going to be an awesome place to go to work every day. There’s incredible opportunities to live here ... and that experience is going to be carried through everything we do.”







# SOUTH UNIVERSITY K MART SITE CONCEPTUAL STUDY

FARGO, ND



*For this conceptual study, ESG analyzed the shuttered Fargo Kmart site on South University for redevelopment.*



# ROCO APARTMENTS AND PRIVATE/ PUBLIC MIXED USE DEVELOPMENT

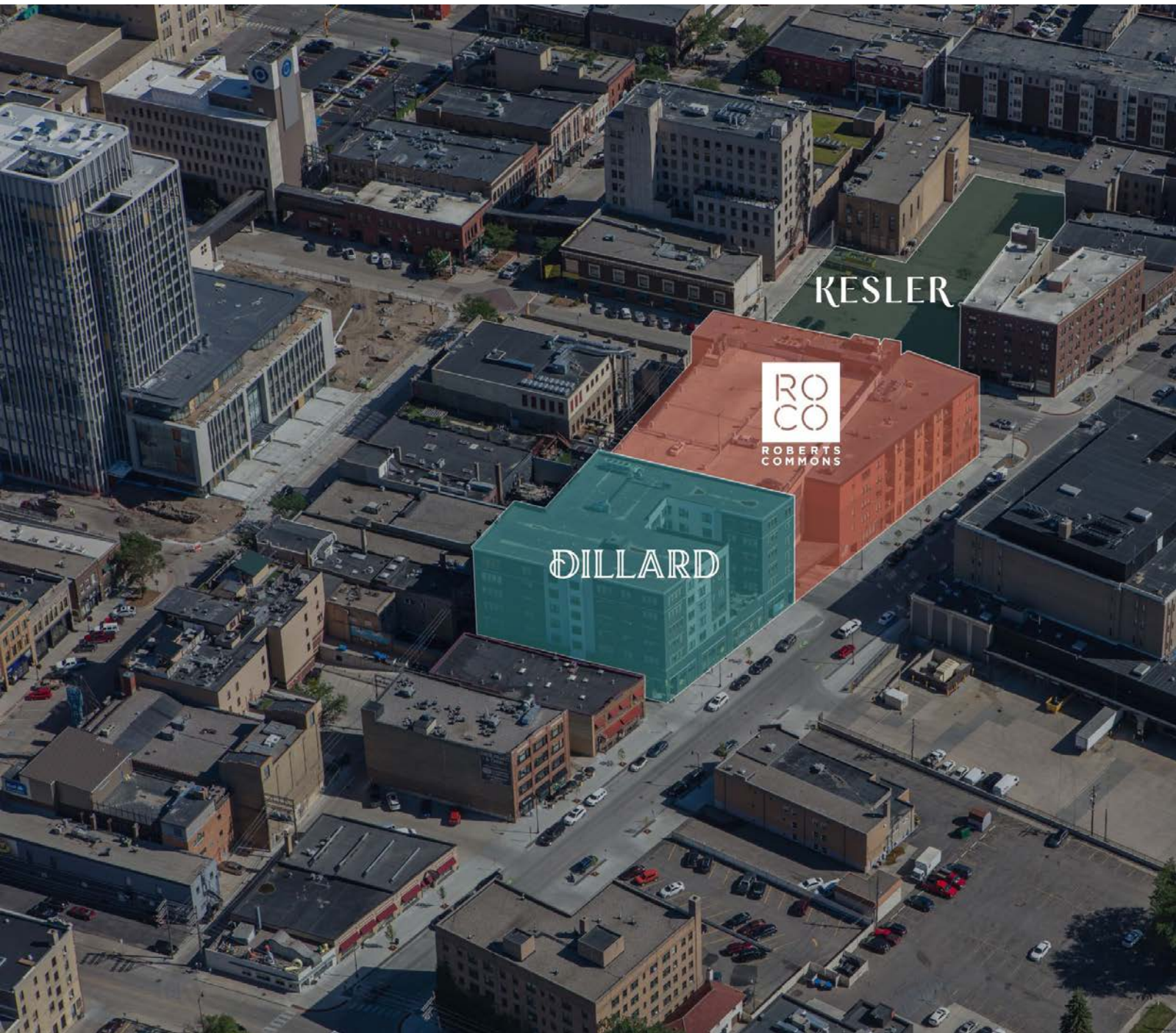
FARGO, ND



*This public/private master planning project for the Roberts block in Fargo includes a new parking structure and three market rate apartment buildings: Roco, Dillard and Kesler.*



DILLARD APARTMENTS  
FARGO, ND





# KESLER APARTMENTS

FARGO, ND





# JASPER HOTEL

FARGO, ND



ESG provided full interior design services for the recently opened Jasper Hotel in the renowned RDO building in downtown Fargo.





# WOODROW APARTMENTS

FARGO, ND



*ESG designed this adaptive reuse of a historic school building blended with new construction to create a new multifamily redevelopment.*





# MAVERICK

MINNEAPOLIS, MN



*This six story downtown Minneapolis apartment building wraps a pre-existing parking ramp and also includes a standalone row of townhomes for a total of 156 units and 49 enclosed parking spaces. 202,000 GSF*





**VESI**  
MINNEAPOLIS, MN



*This 6-story  
apartment  
building is  
set along the  
Mississippi River  
and has 218  
units and 274  
underground  
parking stalls.  
343,000 GSF*



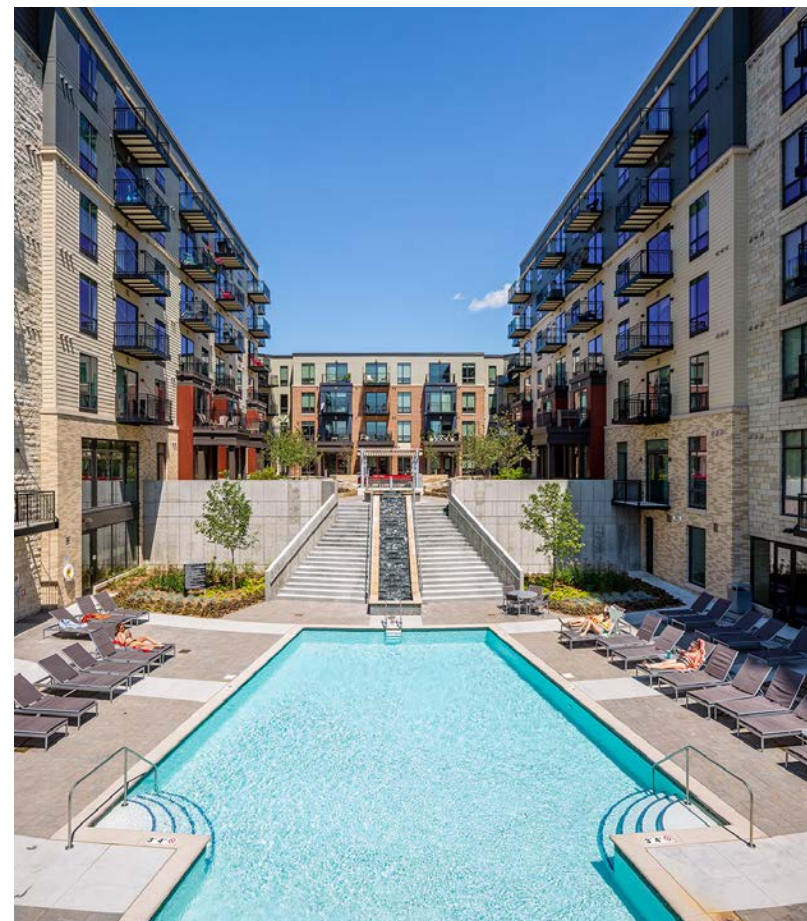


# ELAN UPTOWN

MINNEAPOLIS, MN



*This 4-building phased development consists of 575 apartments and 15 townhome apartments with 511 parking spaces. 900,000 GSF*





**INDIGO**  
BLOOMINGTON, MN



*IndiGO is one phase of the Bloomington Central Station (BCS) Master Plan in Bloomington, MN. This 6 story market rate apartment building wraps a central parking structure and offers 395 apartment units and 663 parking stalls. 629,809 GSF*





# THE FILLMORE

PHOENIX, AZ

*This mixed-use development is currently under construction in several phases. The full development includes 716 apartments and 920 parking stalls. The 1 million SF property will include over 20,000 SF of tenant amenities including a large shaded rooftop pool, as well as 15,000 SF for future restaurant/retail.*





**MEZZO**  
MINNEAPOLIS, MN



Mezzo is a 6-story market rate apartment building in Minneapolis with 110 units and 67 parking stalls. 109,221 GSF





EAST END  
MINNEAPOLIS, MN



East End is a mixed-use development with a full service Trader Joes and 180 market rate apartment units. 480,000 GSF





## AC HOTEL

MINNEAPOLIS, MN

*This 245-room AC Hotel, an upscale brand by Marriott, opened in October 2016. It has a distinctive European style, which comes from the influence of founder Antonio Catalán, a Spanish hotelier. In 2011, Marriott formed a venture to take Catalán's brand beyond Spain, seeking development partners in various markets. The Minneapolis hotel is the 10th AC in the U.S. It took about*

*15 months to build the 140,000 square-foot, nine-story Minneapolis hotel on a site that was previously surface parking. Although it is a select-service hotel, this location has a fitness center, several meeting rooms and guest rooms with floor-to-ceiling windows and walk-in showers.*



The AC Hotel Minneapolis Downtown by Marriott was recently honored with a NAIOP-MN Award of Excellence in the Hospitality category.





# AC HOTEL MOA

BLOOMINGTON, MN



ESG designed the AC Hotel MOA in Bloomington based on a new Marriott brand defined by an elegant, minimalist design ethos. Described as European Modernism, the refined aesthetic includes exterior metallic panels, masonry and extensive glazing, and a neutral interior color palette with finishes of wood, stone, lacquer and mirrored surfaces. ESG adapted the AC prototype to its Bloomington South Loop neighborhood site and introduced several unique features to enhance the brand's identity.





REQUESTED INCENTIVES

We estimate that the total proposed project cost will be \$38,500,000. To complete the development project, the partnership will require the use of tax increment financing. The projected TIF request is \$4,500,000.

TIMELINE

November 2021	RFP Submitted
December 2021	Anticipated project selections & enter negotiations for development agreement.
February 2022	Finalize development agreement.
February 2022	Begin construction document phase.
December 2022	Complete construction documents and submit for building permit.
January 2023	Release bid package.
February 2023	Bids packages due.
March 2023	Break ground.
Q4 2024/Q1 2025	Project Complete



\$500,000

ESG ARCHITECTURE & DESIGN

Heather Whalen  
Burt Coffin  
Lukas Van Sistine

LLOYD COMPANIES

Jake Quasney  
Mike Dill  
Luke Jessen  
Drew O’Brien  
Mark Quasney

GREEN ACRE COMPANIES

Byron Schafersman  
Josh Aberson



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